

REMARKS

The pending claims 14 - 22, rejected for various reasons under § 103, have been cancelled. New independent claim is presented here along with new dependent claims.

§ 103 Rejections

Claims 14 - 16, 19, 20 and 22 have been rejected under § 103 based on Kepecs (U.S. 6,009,411) in view of Williams et al (U.S. 6,075,971; "Williams") and Hills et al (U.S. 5,484,988; "Hills").

New independent claim 23 recites these limitations for the claimed method:

- connecting the point of sale terminal to the host system in an initial split dial-up
- delaying initially connection of the point-of-sale terminal to the payment processing system
- following determination of applicable discounts, connecting the point-of-sale terminal to the payment processing system
- determining the applicability of discounts, the determining not done by the consumer
- initially delaying initiation of financial authorization of payment for the purchase
- effecting said discount done without consumer action

Kepecs has no teaching or suggestion of a split dial-up as claimed herein. The text of Kepecs cited in the Office Action as disclosing an initial split connection ["(see at least col. 10 lines 19 - 67)"] does not disclose a split connection as claimed nor the

delay in connecting the point-of-sale terminal to the payment processing system as now claimed herein. Also, Williams has no teaching or suggestion of such a split dial-up with the claimed delay.

Applicants note that Kepecs requires selection of discount(s) by a consumer prior to a transaction. The Examiner admits this:

Kepecs does not disclose applying the discount without a selection from the consumer of any said applicable discount, and without requiring consumer awareness of any said applicable discount. (Office Action, Page 4)

Applicants also assert that Kepecs neither teaches nor suggests a system as now claimed herein in which discounts are applied automatically at the time of a transaction at a vendor location without action or selection by or awareness of a consumer.

Williams does not remedy the deficiencies of Kepecs. Williams deals only with coupons that are provided to a user which then must be printed out and presented to a seller when a purchase is made. Williams requires that coupons be printed and provided to a user. Then the user must present the coupon to obtain the benefit of the discount represented by the coupon. The user knowingly acts in presenting the coupon for redemption to obtain the benefit of the coupon. In the method of new claim 23, the consumer does not present anything; the consumer does not apply the discount; and the consumer enjoys the benefit of the discount without effecting the discount himself or herself.

Applicants incorporate here all the remarks about the cited references from the previously filed Response To Office Action Mailed 09/10/04.

The present method is directed to the automatic application of discounts to a purchase without purchaser action - not to the creation of and redemption of coupons.

Williams does not and cannot provide any teaching or suggestion regarding the

automatic application of discounts because Williams is limited to methods dealing with the selection, production, and redemption of actual printed-out physical coupons. Kepecs itself makes this distinction (see Kepecs's Abstract: "Unlike paper or electronic coupons . . .).

Kepecs specifically teaches away from the coupon art and, therefore, it is not proper to combine teachings of Williams (Williams teaches only coupon methods) with Kepecs, which is directed solely to non-coupon methods.

Hills (U.S. 5,484,988) does not remedy the deficiencies noted above of Williams and Kepecs. Also, Hills does not teach or suggest the split dial-up as now claimed herein.

Applicants respectfully submit that what is now claimed herein is not obvious and is patentable with respect to the cited references.

§ 103 Rejection

Claims 17 - 18 and 21 have been rejected under § 103 based on Kepecs in view of Williams and Hoffman (U.S. 5,297,026).

Hoffman deals only with purchases made by a consumer in which the consumer is aware of the transaction and has nothing to do with a system or method in which discounts are automatically applied to a transaction whether the consumer is aware or not of an applicable discount.

Applicants respectfully submit that what is now claimed herein is not obvious and is patentable with respect to the cited references.

The Examiner is required to provide a proper factual basis for reaching a conclusion of obviousness. In Re Mills, 916 F.2d 680, 16 USPQ 2d 1430 (Fed. Cir. 1990); Ex Parte Porter, 25 USPQ 2d 1144,1147 (Board of Patent Appeals & Interferences), citing In Re Fine, 837 F.2d 1071, 5 USPQ 2d 1596 (Fed. Cir. 1988).

In this case Applicant believes the Examiner has not provided the required factual basis and has failed to find a reference that discloses critical elements of what is claimed herein.

The Examiner makes the following admissions regarding the deficiencies of the Kepecs reference:

Kepecs does not disclose applying the discount without a selection from the consumer of any said applicable discount, and without requiring consumer awareness of any said applicable discount.

In an effort to supply missing critical elements the Examiner has stated in the Office Action mailed 8/11/05:

However, Williams discloses a method and apparatus for providing and monitoring coupons via a network wherein coupons may be downloaded to a user's system automatically or on demand via the Internet (see at least abstract).

Williams has no teaching or suggestion of applying a discount with no action by a purchaser as is now claimed herein. In Williams the user must redeem the coupons - this is action by the user and this must be done with the user's awareness.

The coupons may then be redeemed by the user. (Williams, U.S. 6,075,971; Abstract; and Col. 2, lines 18 - 19)

The users of the clients may then redeem the coupon(s).
(Williams, U.S. 6,075,971; Col. 5, lines 26 - 27)

In such an embodiments, coupon(s) that satisfy the preference profile are passed to the client device and may be redeemed by the user. (Williams, U.S. 6,075,971; Col. 6, lines 53 - 56)

Williams's teaching of the automatic download of coupons is not the same as effecting a discount without purchaser action as now claimed herein. The downloading of a coupon alone does not result in the user enjoying the benefit of the coupon. According to Williams, the user must redeem the coupon to receive the benefit of the coupon. No such redemption is required by the methods now claimed herein.

In the Office Action, it is stated:

Williams further teaches that discounts can also be provided without the customer's awareness in addition to selection by the customer. (Office Action; pp. 2 - 3)

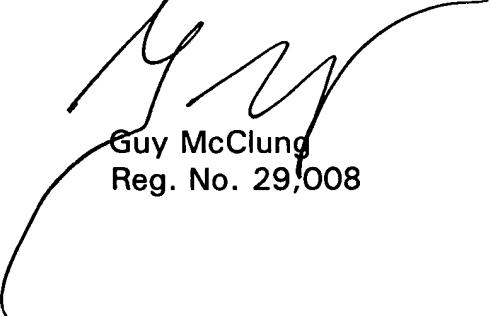
This is not correct. Williams is directed to coupons. Williams does not have the teaching quoted above. Applicants cannot find the words "discount" or "discounts" in Williams.

Applicants incorporate here by reference the arguments made in the previously filed Responses to Office Actions in this application.

Conclusion

Applicants appreciate the careful and detailed Office Action. Early and favorable reconsideration is respectfully requested.

Respectfully submitted,

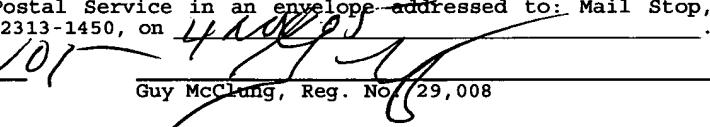

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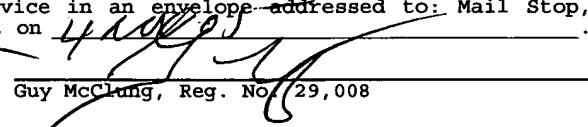
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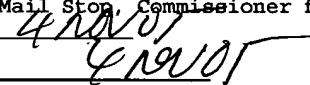
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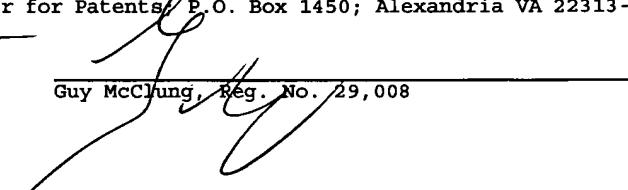
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